

Department of Commerce and Consumer Affairs

The Department of Commerce and Consumer Affairs (DCCA) worked with Hawai'i's business community to fend off legislative attempts (HB 2742 and, subsequently, SB 2525) to dismantle the department's compliance resolution fund. Hawai'i businesses saw the effort for what it was: a naked attempt to balance the State budget by grabbing the money that businesses had deposited with the department. Ultimately, SB 2525 was vetoed by the Governor, and the Legislature did not override that veto.

The Department succeeded in getting some of its proposed fee cuts through the legislature. Specifically, it was allowed to reduce the cost of certificates of good standing from \$25 to \$5 (the department had proposed that it be made available for free), and the business registration division (BREG) was allowed to cut a number of its registration-related fees. BREG's fee cuts are expected to save filers approximately \$1.5 million per year. In sum, DCCA proposed four bills that would have allowed it to reduce specific statutorily-set fees in the licensing and registration areas, as well as provide the department with future flexibility to raise and lower fees by up to 50% with the Governor's approval. Most of the bills were not given hearings by the Senate Ways and Means Committee. With the last-minute assistance of the House Consumer Protection and Commerce Committee, portions of the bills were kept alive and, subject to the bright glare of the business community's spotlight, the two bills referenced above were agreed to in conference committees at the end of the session. The bills that did not advance represent more missed opportunities on the part of the Legislature, and you can be sure that we will renew these efforts again next year.

DCCA succeeded in passing a number of bills designed to improve the state's business climate, by removing barriers to entry that characterized Hawai'i's insurance market, making explicit that members of trade associations can obtain group insurance, drawing on Hawai'i's reputation as a leading state for captive insurers by establishing the State as a port of entry for foreign insurers wishing to do business in the United States, reducing unnecessary regulation in areas where consumer rights remain protected, and, in conjunction with the state's building industry, addressing the high cost of insurance to general contractors by developing a construction design defect claim process that should expedite claim resolution with reduced costs.

Utility regulation of small utilities was streamlined through a bill that ensures a more expedited review process, while the groundwork was laid by passage of a resolution for possible adoption next year of a bill to register or regulate money transmitters. Hawai'i's law enforcement community offered strong support for the latter measure.

Finally, licensing restrictions were eased. Hawai'i residents will have an expanded pool of doctors available to them now that unnecessary licensing restrictions were lifted for doctors performing residencies in approved Canadian programs or who took the Canadian medical exams. In addition, the department was authorized to enter into reciprocity agreements with other states to allow realtors from those states to practice in Hawai'i in return for Hawai'i realtors being allowed to practice in those states.

- Mark Recktenwald, Director